



CALIFORNIA High-Speed Rail Authority

Business Advisory Council (BAC) Summary Meeting Notes for October 20, 2016

Summary Notes

770 3rd Street, West Sacramento, CA

Members Present:

Association	Primary	Alternate
ACEC	Arvin Chaudhary	
AICC	Adam Holt	
AAAE	Eddy Lau	
AAa/e	Linden Nishinaga	
AGC		
CBCC		
CMAA	Esther Shaw	
COMTO		
DVBA		
GFACC	Debbie Hunsaker	
KMCA	Marvin Dean	
LBA		
LRRT	Paul Guerrero	
NAACP	Betty Williams	
NAMC	Peter Varma	
NCA	Diana LaCome	
SFAACC	Fred Jordan	Dr. Caesar Churchwell
SAME	Nathan Rockwood	
USPAACC	Clyde Wong	
WCOE		
WTS		

Council Chair: Lisa Marie Alley (Absent)

Absent Seat(s): Sam Hassoun (AGC), Aubry Stone (CBCC), Dev Krishnan (COMTO), Laura Uden (DVBA), Leonard Ortiz (LBA), Lee Cunningham (WCOE), Charissa Frank (WTS)

California High-Speed Rail Authority (Authority) Team Present: Diana Gomez – Central Valley Regional Director, Alice Rodriguez – Small Business Advocate, Jose Camarena – Contract Compliance Administrator, Karen Massie – Information Officer, Alex McCracken – Small Business and Title VI Programs Manager, Austin Kidwell – Small Business Compliance Analyst, Meilani Sabadlab – Small Business Associate, Abraham Mendoza – Assistant Contract Compliance Administrator, Regina Schweska – Contract Compliance Unit, Michael Guzman – Contract Compliance Unit, Shonda Hornbeck – Contract Compliance Unit, Annette Rodriguez – Contract Compliance Unit

Guests: Maurice Young (TPZP), John James (DFJV), Lee Ann Eager (EDC Fresno), Carlos Mendoza (U.S. SBA), Pete Estrada (U.S. SBA), Micaella Rivera (TPZP), Steven Chen (Aardvark), Leavel Tatum (BBL Trucking)

- **Welcome and Introductions (Council Chair)**

- Ms. Rodriguez called the meeting to order at 3:40 PM and welcomed everyone for attending.
- The council was informed that guest speaker, Lee Ann Eager, with the Fresno Economic Development Corporation would be speaking in regards to how the CA High-Speed Rail is transforming the Central Valley and creating positive impacts within the community.
- Ms. Rodriguez concluded opening remarks with introductions from all BAC attendees.
- Additionally, Ms. Rodriguez highlighted the success of the Small Business Program Update at the Board of Directors Meeting on October 11, 2016.
- She mentioned that due to a quick turn-around from the September BAC meeting, the Authority decided to postpone reviewing the BAC Request Tracker until the next BAC meeting scheduled for Thursday, December 8, 2016.

- **Approval of September 21, 2016 Business Advisory Council Meeting Minutes (Council Chair)**

- Ms. Rodriguez mentioned the team overlooked distributing the September 21, 2016 draft minutes and provided the BAC members with a few moments for a quick review. She later asked if there were any questions or concerns regarding the draft minutes from the September 21, 2016 BAC Meeting.
- Member Guerrero motioned to table the September 21, 2016 draft minutes and distribute for review, along with the October 20, 2016 draft minutes.
- Ms. Rodriguez agreed with Member Guerrero and asked if any BAC members had any objections. There were no objections.
- Ms. Rodriguez took a moment to acknowledge and thank Steven Chen with Aardvark Biological (working on CP 1 and CP 2-3) and Leavel Tatum with BBL Tatum Trucking (working on CP 1) who joined the BAC members in their respective committees, Professional Services and Construction.
- Member Dean commented that the Authority should incorporate more small businesses into the committee meetings, by doing so it will provide awareness of the BAC to the small business community.
- Ms. Rodriguez summarized the success of the morning's BAC Construction Tour and gave thanks to Diana Gomez, Central Valley Regional Director and members of the Fresno Team, Toni Tinoco and Victoria Sandoval.
- Member Guerrero requested that future construction tours accommodate handicap individuals.

- **Central Valley Project Update (Diana Gomez)**

- Ms. Gomez welcomed everyone and gave thanks to everyone who participated in the construction tour and thanked the BAC for hosting their bi-monthly meeting in Fresno.
- Ms. Gomez provided a quick overview of the excitement happening in the city of Fresno and mentioned that two (2) environmental documents from Merced, CA to Bakersfield, CA have been cleared.
- Additionally, she stated the CAHSRA project has brought approximately \$3 billion worth of state and federal contracts into the Central Valley.

- Ms. Gomez commented on several recent offices, openings in and around the Fresno area:
 - Construction Package 1 and the Authority have opened offices in the Downtown Fresno Area
 - Construction Package 2-3 recently opened their office in the city of Selma
 - And Construction Package 4 has moved their trailers to the Wasco area; CP 4 will be hosting an open house on Tuesday, October 25 in Wasco, CA.
- She pointed out that the construction of the High-Speed Rail in the Central Valley, in addition to the new offices (mentioned above) are creating an economic boom and an opportunity of wealth for the city of Fresno and its neighboring cities.
- Ms. Gomez continued to state that she receives responsive feedback from nearby elected officials, who witness the positive impacts brought to the Central Valley due to the High-Speed Rail project.
- Ms. Gomez mentioned there are roughly thirty (30) Authority staff members in the Central Valley and the team is continuing to grow as they work to fill open positions. She shared that the Fresno team is growing at such a rapid rate that they will be relocating to a larger office space soon.
- Ms. Gomez stated that the Mayor of Fresno supports the development of the High-Speed Rail and the construction in the Central Valley, contingent that businesses impacted by the construction of the High-Speed Rail do not vacate the city of Fresno. As assurance, the Authority entered into a Business Relocation Contract with the City and County of Fresno. Additionally, the City of Fresno created a one (1) stop-shop that has staff to assist with the relocation process of local businesses.
- Ms. Gomez added that the Economic Development Corporation (EDC) of Fresno partners with the City of Fresno to provide step-by-step assistance. Thus far, approximately 230 businesses have been impacted in the city of Fresno. Furthermore, she informed the BAC that Lee Ann Eager, President/CEO of EDC Fresno would be presenting today.

BAC Member Questions and Concerns:

- Council Member Lau asked if the environmental documents were EIR or EIS. Ms. Gomez said they were both, EIR and EIS.
- Member Dean questioned when the Board will make a decision about the maintenance facility. Ms. Gomez responded that the Board could possibly make a decision within the year, once an operator is on board.
- Member Dean asked when RFQs will go out for the Fresno Station. Ms. Gomez stated probably in the year 2017.
- Council Member Dean inquired when to anticipate a full force of construction for all Construction Packages (CPs). Ms. Gomez stated that CP 2-3 will commence paving within the next two to three weeks and that CP 4 will begin construction on one (1) of the overpasses by mid-July (2017). She continued to state that we can anticipate a significant amount of construction on all sites by spring of next year.
- Member Dean questioned when to expect an end date for completion. Ms. Gomez responded that the projected date of completion is scheduled for the year 2025.
- Member Guerrero commented that the Central Valley is constantly being fined for pollution and the CAHSRA is a contributing factor due to diesel train transportation. Ms. Gomez stated that the project plans are constantly being modified to ensure the Authority is not increasing pollution.
- Member Nishinaga commented that tier 4 equipment emits zero emission.

- **Fresno Economic Development Corporation Presentation (Lee Ann Eager)**

- Lee Ann Eager began her presentation with a quick overview of the Economic Development Corporation's purpose and a brief background of herself.
- Ms. Eager stated that the EDC serves the Fresno County and is a nonprofit organization established in 2009 to market Fresno County as the premier location for business prosperity. EDC strives to facilitate site selection for new businesses within the Fresno County, and assist in the retention and expansion of businesses that are already located in the area.
- Ms. Eager noted that 35 percent of local, small businesses have increased employment and/or production and began to share the success stories of several small businesses which were impacted by the High-Speed Rail alignment.

Some of those small businesses included:

- OK Produce – a small business founded in downtown Fresno in 1950. The relocation process for OK Produce commenced 1 week prior to their actual move, to ensure the proper temperatures for refrigeration were maintained. Additionally, the businesses was relocated to a facility much larger than their original location and the number of OK Produce employees have increased from four (4) to thirty-two (32).
- Main Event Graphics and Boxing – a combined boxing studio and graphics print shop. Main Event was one of the first small businesses that needed to be relocated due to the High-Speed Rail. With the help of EDC, Main Event was able to relocate the boxing gym and graphics shop to prime locations in Fresno, no longer having to share the same space. Main Event Graphics was moved to a facility twice the size of their prior location. The increase of space allowed Main Event Graphics to add additional equipment, which meant accepting larger contracts. As a result Main Event Graphics is generating more revenue. Additionally, Main Event Boxing is now a state of the art gym available to the public that is also generating more income than ever before.
- Ms. Eager also shared the success story of a dance studio which accommodates individuals with special needs. Since the relocation of their studio, their business has grown 3-fold.
- Additionally, Ms. Eager shared that the relocation of businesses along the High-Speed Rail alignment are also benefiting other local and/or small businesses. Local companies are hired to aid in the relocation process.
- Ms. Eager mentioned that Fresno is providing job specific training for the High-Speed Rail project to members of their community, resulting in a decrease of unemployment.
- She ended her presentation by stating, Fresno is a place that has encountered hardship, poverty and high unemployment. Fresno is and has been working to reverse these issues. Ms. Eager believes that the High-Speed Rail project is the catalyst to resolve these issues.

BAC Member Questions and Concerns:

- Member Nishinaga agreed that the High-Speed Rail Authority has benefited the economy and asked if there will be direct service lines From Los Angeles to San Francisco. Ms. Gomez explained that every station will have passing tracks and passengers will not need to make unnecessary stops along their trip. However, this concern will need to be addressed and confirmed once an operator is on board.
- Member Dean exclaimed that Lee Ann Eager is an amazing advocate for the City of Fresno and hopes to have someone as fierce and enthusiastic as Ms. Eager for the Bakersfield area.
- Member Lau commented that he was able to read the September 21, 2016 draft minutes, and found there to be corrections. He recalls that the Authority mentioned they would provide an update on the Supportive Services Contract within 2 weeks of the September 21, 2016 BAC meeting. Ms. Rodriguez noted member Lau's comments and said the September 21, 2016 draft minutes would be amended.

- **Project Updates**

- ***Construction Package 1 (Maurice Young)***

- Current and recent Field Activities are as follows:
 - Design Support – survey, utility investigations and geotechnical work
 - Property Acquisition related – abatement and demolition; clearing and grubbing
 - Construction –
 - Multiple crews are performing utility line relocations in Fresno and Madera including PGE, AT&T, COF and FID.
 - Fresno River Viaduct (Madera) – the viaduct crossing over Raymond Road has been constructed and crews are now preparing for the crossing over State Route 145.
 - Tuolumne Bridge (Downtown Fresno) – Crews finished pouring concrete for the deck and work is now being done on the retaining and barrier walls. The bridge will re-open to traffic this fall.
 - San Joaquin Viaduct (North Fresno) – Crews are drilling shafts 75 to 90 feet into the ground for placement of the viaducts support piers. Additionally, crews are installing a coffer dam which will allow them to work in the water and construct the viaduct foundation for the river crossing.
 - Fresno Trench/SR-180 Passageway – Drilling for an intrusion barrier wall is underway which will protect the High-Speed Rail line as it travels near Union Pacific Railroad tracks. Night work continues on SR-180 to make shoulder improvements as construction crews prepare to work under the highway.
 - Cotton Creek (Madera) – Construction of bridge deck falsework will commence soon, which consists of the temporary wooden forms used to hold a section of the bridge in place until its construction is advanced enough to support itself. Setting girders for the deck is on schedule.
 - Box culvert at Thorne & Divisadero – as of October 17, 2016 this intersection is under long-term road closure until January 2017, as crews commence work for the first 32-mile stretch of the High-Speed Rail.
- Small business utilization and participation as of September 30, 2016 are as follows:
 - Subcontractors/Consultants/Suppliers – 60 small businesses total, including 27 DBEs and 7 DVBES
 - Vendors – 17 total small businesses including 1 DVBE
- Commitment to date metrics as of September 30, 2016:
 - Total value to subcontractors: \$465,700,325.11 or 37.98%
 - Total value to SBEs: \$318,680,623.21 or 25.99% (Goal: 30%)
 - Total value to DBEs: \$198,457,321.00 or 16.19% (Goal: 10%)
 - Total value of DVBES: \$65,876,251.00 or 5.37% (Goal 3%)
- Pending/In Process Contracts:
 - Total value to SBEs: approximately \$46.02 Million or 3.95% (North Extension; issuance pending redesign)
 - Total value to DBEs: approximately \$0.8 Million or 0.08%
 - Total value of DVBES: approximately 0.725% (dry utility)
- Participation opportunities with CP 1 include requests for bids or proposals anticipated for the following:
 - PGE – electrical and gas utility design and construction (TBD)

- AT&T – Construction on 6 Packages from October 2016 to February 2017; open to qualified public
- Supportive Services:
 - CP 1 is planning an Open House in Madera on Wednesday, October 26, 2016.
- Challenges that CP1 are facing include:
 - The most difficult challenge to a small business on the project is certified payroll. Despite construction workshops prior to the businesses' commence date and one-on-one mentoring sessions, small businesses continue to make errors and/or documents are not received in a timely manner. CP 1 has hired additional staff to manage the Certified Payroll process and ensure compliance.

Construction Package 2 – 3 (John James)

- There are currently fifteen (15) small business entities approved by the Authority to begin work on the CP 2-3 project, including 6 of the 8 firms that were listed in Dragados Flatiron's Small Business Proposal.
- The current schedule of trade and/or skill specific procurements through proposals and/or bids include the following:
 - Adams Avenue overcrossing in Fresno County
 - Trucks for hauling water, lumber and infrastructure material
 - Local streets and roads restoration
 - Underground utility relocation
 - Irrigation District facilities relocation
 - Tulare County Road Rebuild
 - Earth Moving
 - Fuel and Petroleum suppliers
 - Fencing contractors
 - Well abandonment and cap contractors
 - Electrical contractors
- DFJV will commence work by the end of the year for the following projects:
 - First (northern) six miles of the CP-23 alignment
 - Demolition of structure segments 2 and 3
 - BNSF embankment construction
 - HSR embankment construction
 - Redesign of overpasses to Caltrans style-bridge with sloped/angled abutments
 - Bridge spans will be 3x the original plan
 - Tulare County Overlay
- DFJV anticipates small business utilization to increase within the next ninety (90) days as a result of the outreach, pre-bid and bidding work currently underway.
- DFJV has split their clear and grub segment 2 and segment 3 into 2 categories: demolition of structures and clear and grub. Demolition of structures is being prepared for rebid and the rebid for clear and grub will follow shortly after.

- Work currently underway with the CP 2-3 project includes:
 - Environmental re-exam work
 - Demolition of 17 planned parcels
 - Clearing and grubbing
- Challenges DFJV are facing include:
 - Small businesses are having issues getting pre-qualified for PG&E's pre-qualified list
 - Small businesses are facing difficulty with bonding insurance

- **Committee Updates**

Construction Committee (Diana LaCome)

- Committee Chair LaCome was ecstatic to share that the Construction Committee had 8 BAC participants in the committee meeting – the most they've recently had.
- She continued to comment how satisfying it was to participate in the BAC Construction Tour and how exciting it was to visually witness and experience the construction of the High-Speed Rail.
- The Construction Committee discussed and submitted the following requests:
 - Request that the Authority host an annual BAC Construction Tour and ensure local SBEs are involved.
 - Requests to explore possible alternatives regarding Prompt Payment to subcontractors.
 - Discussed and reviewed USDOT set-asides; Ms. LaCome will send information material to Jose Camarena, Contract Compliance Manager.
 - Commented that the FRA mandated the BAC and therefore, members should be reimbursed. The Construction Committee requests that the Board of Directors consider implementing a BAC Travel Reimbursement Policy and requests that a selected BAC Member address this concern directly to the Board.
 - Requests that the BAC Committee Chairs participate in the Board of Directors – Small Business Program Updates.
 - Discussed how the Department of General Services' SBE portal has been inactive for months, and as a result is causing SBEs to miss contracting opportunities.
 - Committee Chair LaCome stated she would invite a PGE representative to a future Construction Committee meeting to address SBE concerns.
 - Requested that the BAC Contact list be distributed (again) to all BAC members to discuss networking opportunities.

Professional Services Committee (Fred Jordan)

- The Professional Service Committee (PSC) submitted the following requests and/or commented on existing requests:
 - Declared that the Authority needs to implement a safe harbor rate such as a 110 percent overhead when new SBEs are brought onto the High-Speed Rail Project.
 - Encouraged the Authority to find a solution to address Prompt Payment concerns.
 - Committee Chair Jordan referenced Steven Chen with Aardvark Biological, a 3rd tier SBE subcontractor, who shared the firms' project experience in relation to their Primes (CP 1 and CP 2-3) and the Authority. Member Jordan highlighted Aardvark's experience by mentioning their firm has not been paid for services since May 2016.
 - PSC is still pushing for a separate 30/10/3 split between Professional Services and Construction.
 - Requests the Authority develop a Dispute Resolution Board and an appeal process for financial concerns.

- The PSC requests the Authority adopt the anti-discrimination policy as required for all agencies using state funds.
- Requests that the Authority implement a debriefing process for bidding firms that were not selected for a specific contract.
- Discussed methods to improve small business utilization.
- Emphasized the importance of implementing a BAC Travel Reimbursement Policy.
- Continue to request a PGE representative (SB liaison) to provide a presentation during the BAC Full Council, addressing SBE concerns.
- Continue to request additional information about the Supportive Services Contract. BAC members have not received any new information since the topic was addressed during the September 21, 2016 BAC meeting.

- **Member and Public Comment and Adjournment**

- Member Dean raised the concern that the Authority needs to establish a Bonding and Working Capital Program.

- **Upcoming Meeting Dates**

- The next meeting will be held in Sacramento on Thursday, December 8, 2016.
- Member Dean motioned to conclude the meeting and Member LaCome seconded.
- Ms. Rodriguez adjourned the meeting at 4:53 PM.